

## ARTICLE 3 - QUANTITY

### Section 3.01

Except as otherwise set forth herein, during each of the fiscal years provided for under this Contract (fiscal year, for the purposes of this Contract, shall begin \_\_\_\_\_ and end \_\_\_\_\_, Buyer shall accept delivery and purchase, and Seller shall deliver and sell the number of Market Hogs per fiscal year, from the Designated Production Facilities, as set forth below.

Fiscal Year Ending

Quantity

In addition to the above, such fiscal year quantities are set forth on the schedule attached as Exhibit "A", and are further detailed, on such schedule, on a monthly and fiscal quarter basis.

- (i) The above schedule is less than the total quantity of hogs produced by Seller, at the Designated Production Facilities, on both a historical and current basis. Hog production at the Designated Production Facilities, which is in excess of the quantity set forth above, shall be subject to the provisions of subparagraph (ii) below.
- (ii) Buyer shall accept and purchase, and Seller shall deliver and sell the number of Market Hogs, which are produced at the Designated Production Facilities, during any fiscal quarter which are in excess of 25% of the fiscal year quantity ("Excess Market Hogs") as set forth on the schedule attached as Exhibit "A". The approximate number of Excess Market Hogs to be produced by Seller at the Designated Production Facilities, and the fiscal quarter during which the Excess Market Hogs will be produced, is set forth on the schedule attached as Exhibit "A". Buyer will not be obligated to purchase Excess Market Hogs in excess of such approximate number. Further, Buyer will not be obligated to purchase Excess Market Hogs in excess of the difference between the annual production quantity for the finishing units as set forth in Section 1.01 above, and the fiscal year quantity set forth above.
- (iii) As set forth in Section 11.01 below, Seller shall not be relieved of its obligation to deliver and sell Market Hogs to Buyer, in the quantity set forth above, for any reason that does not constitute a Force Majeure Event. If any event occurs, which may possibly affect Seller's obligation to deliver and sell Market Hogs in the quantity set forth above and which is not a Force Majeure Event, then Seller shall give Buyer prompt written notice describing such event and Seller's plan to remedy such event. In addition, any failure of Seller to deliver and sell Market Hogs to Buyer, in the fiscal year quantity set forth above, shall be a material default under this Contract.